



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

0000001

October 29, 1997

REPLY TO THE ATTENTION OF SR-6J

Ms. Judy J. Triller
Site Assessment Unit
Bureau of Land Pollution Control
Illinois Environmental Protection Agency
2200 Churchill Road
Springfield, Illinois 62794-9276

**SENT VIA FACSIMILE
AND REGULAR MAIL**

Dear Ms. Triller:

This letter is in response to your letter dated September 26, 1997, regarding the final draft of the Engineering Evaluation/Cost Analysis ("EE/CA") for the Vulcan Louisville Smelting Company Site, aka "the Vacant Lot" (CERCLIS ID# ILD 984 775 437/ Site Spill # A527), located in North Chicago, Lake County, Illinois. I will do my best to respond to your concerns and provide you with the rationale for the U.S. EPA's actions, that I hope, is acceptable to you and the Illinois Environmental Protection Agency ("Illinois EPA").

As I read your letter, basically, you express concern that, "...the entire site has not been addressed." You indicate that the "...Illinois EPA feels very strongly that areas beyond the vacant lot, including the residential area to the north, Pettibone Creek, and the Lake Michigan Harbor should be included in the EE/CA." You also state that the "...vacant lot appears to be only one part of a bigger environmental problem, and addressing just this part does nothing to alleviate concerns with the other areas."

I agree with you that the Vacant Lot appears to be only part of a bigger environmental problem. As you recall, my November 13, 1996, letter to you raised this concern in part, specifically whether or not the Illinois EPA Superfund and Resource Conservation and Recovery Act ("RCRA") Programs had reached consensus on the best approach to address the Fansteel facility -- under the RCRA closure or as part of the Vacant Lot EE/CA and subsequent investigations. This was a very important step since both the Fansteel and the R. Lavin & Sons facilities were and are regulated under the RCRA program, which has corrective action authority. Typically, the Superfund program defers to the RCRA program with respect to jurisdiction. In your response to me, dated December 10, 1996, you expressed concern regarding including the R. Lavin & Sons (North Chicago Refiners & Smelters) facility, since they were currently re-negotiating a consent order with the Illinois EPA, and you also requested additional information in order for the Illinois EPA RCRA personnel to better understand the U.S. EPA's intentions. Based upon the information that I provided verbally to you, Messrs. Tom Crause and Edwin Bakowski of the Illinois EPA, in their December 11, 1996, letter to me, requested that Fansteel be included in the EE/CA for the Vacant Lot.

EPA Region 5 Records Ctr.



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October 29, 1997, to Ms. Judy Triller, Illinois EPA

Superfund authority is keyed to releases or a series of releases of hazardous substances to the environment. Based upon current sampling results, there now does appear to be a linkage between the contaminated groundwater on the Vacant Lot and the contaminated soils on the Fansteel property. However, at the time of receipt of the December 11, 1996, letter, since there was an EE/CA for the Vacant Lot in progress, and the Fansteel property is owned by a solvent corporation, procedurally I needed to provide notice to Fansteel of the U.S. EPA's intention to conduct an EE/CA on its property. I also needed to have an adequate rationale as to why an EE/CA needed to be conducted at the Fansteel facility.

The sampling events conducted in January-February 1997 by the U.S. EPA contractor provided the necessary documentation and an adequate technical basis to require an EE/CA to be conducted on the Fansteel property. Partial results submitted by the U.S. EPA contractor in a Technical Memorandum, dated May 7, 1997, showed that groundwater contamination on the Vacant Lot appeared to be coming from the Fansteel property. Consequently, the U.S. EPA sent a "General Notice of Potential Liability" letter, dated June 17, 1997, to the Fansteel Corporation. The U.S. EPA requested that Fansteel conduct an EE/CA on its property that would: (a) identify the nature and extent of the contamination on the Fansteel property, particularly any contamination that may be contributing to the groundwater contamination at the Vacant Lot, most notably, any potential sources contributing to the contamination of the groundwater with TCE (trichloroethene); and (b) investigate the sediments in Pettibone Creek to determine the nature and extent of any contamination of those sediments from the southern-most property line for the Vacant Lot to the property boundary of the Great Lakes Naval Training Center ("GLNTC").

On Monday, August 25, 1997, representatives of the U.S. EPA and Fansteel met to discuss the General Notice letter and Fansteel's response. At that meeting, it was agreed that once the Vacant Lot EE/CA was finalized, Fansteel would be given 30 days to present a Workplan for conducting an EE/CA on the Fansteel property. Based on getting two copies of the final EE/CA to Fansteel during the week of November 3, 1997, the U.S. EPA should receive Fansteel's Workplan during the first part of December 1997. Should Fansteel not agree to conduct the EE/CA, then the U.S. EPA would assume the responsibility for the EE/CA.

Based upon the results of the EE/CA completed for the Vacant Lot, the contaminated soils on the Vacant Lot are the subject of immediate concern to the U.S. EPA. However, it has so far not been possible to link the releases of the hazardous substances that caused the soil contamination at the Vacant Lot, to the releases of the hazardous substances that caused the contamination of the sediments in Pettibone Creek or Lake Michigan Harbor. At this time also, there does not appear to be sufficient information regarding the nature and extent of the contaminated residential soils located to the north of the Vacant Lot, and whether they exceed removal action levels; further study appears necessary. Since there are no apparent linkages between the contaminated soils on the Vacant Lot, and the contaminated sediments in Pettibone Creek or

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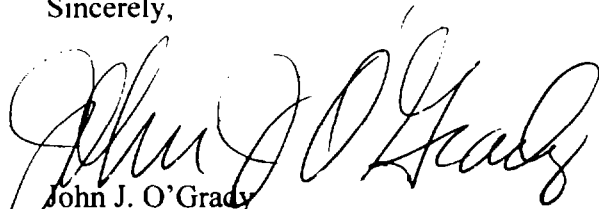
Lake Michigan Harbor, as well as the contaminated residential soils located to the north of the Vacant Lot, it is not appropriate to link these other areas of concern to the Vacant Lot EE/CA.

With respect to Pettibone Creek, there is also a potential action pending by the U.S. Navy against R. Lavin & Sons, Inc. The Illinois Pollution Control Board ("Illinois PCB") issued a decision in July 1996, disallowing the Navy's appeal of a National Pollutant Discharge Elimination System ("NPDES") Permit issued under the Clean Water Act to R. Lavin & Sons' facility, which discharges into Pettibone Creek. The Illinois PCB's denial of the Navy's appeal was based upon a lack of standing -- the Illinois PCB said that only NPDES permittees had standing. After the decision, the Illinois PCB rule was changed to allow for appeals by interested parties. The Navy motioned for reconsideration and the Illinois PCB again dismissed the Navy's motion. The Navy is appealing the Illinois PCB's denial of their third party suit objecting to the Illinois EPA's issuance of the NPDES permit. The U.S. EPA has informally concurred with the appeal.

In summary, it appears that the off-site contamination of residential properties located to the north of the Vacant Lot would best be addressed through further investigation(s) focusing on the nature and extent of contamination of those properties, as well as upstream sources of Pettibone Creek and Lake Michigan sediment contamination, and the possible groundwater contamination to the west of the Site. I have been cautioned by my peers that there is no guarantee that Superfund authority will be able to identify any or all of the sources of the contamination. In addition, it will be interesting to see what affect, if any, that the Navy's petition may have on the scope of Fansteel's proposal.

I hope that I have satisfactorily addressed your concerns and those of the Illinois EPA. Please be assured that the U.S. EPA is diligently pursuing this matter and will keep the Illinois EPA informed of its progress. If you have any questions, please contact me at your earliest convenience, at (312) 886-1477.

Sincerely,



John J. O'Grady
Remedial Project Manager
Superfund Division

cc: T. Ayers (IEPA), E. Bakowski (IEPA), B. Bolen (U.S. EPA), D. Bruce (U.S. EPA), T. Crause (IEPA), J. Dufficy (U.S. EPA), T. Krueger (U.S. EPA ORC), J. Kuhn (IEPA), M. Fulghum (U.S. EPA ORC)